

## **KAB Annual Review Meeting**

### **Opening Speech**

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ILO Office in China & Mongolia**

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Today's young people are the most educated generation ever. They have clear ideas about fulfilling their aspirations at work and in society and want opportunities for personal autonomy and active citizenship. They want the chance of a decent job.

Looking at the Chinese labour market, high economic growth is not accompanied by enough number of jobs. In the context of economic restructuring, people are unemployed and under-employed. Started in the middle of 2008, the situation has been further deteriorating, due to the Global Economic Crisis. The income gap is even wider than before between the people in rural and urban areas, coastal and inland areas, and skilled and unskilled workers. 20 million, out of 150 million migrant workers, are said to have lost jobs and no way to return to the urban areas after the Spring Festival this year.

The youth presents a particular challenge in this scenario. Every year 10 million of school leavers join the labour market in search of gainful employment. The challenge is thus one of not only tackling the already sizable unemployed and underemployed population, but also of absorbing the new entrants into the labour market. In both situations, young people constitute the majority. In the economic downturn, it is obvious that enterprises have less appetite for employing new graduates.

Within the international community, the ILO has a special role to play in promoting youth employment. With its expertise, tripartite constituency, social partners and global alliances, it can act as a catalyst in mobilizing support and implementing integrated policies and programmes to effectively meet the commitment on decent and productive work for youth. Entrepreneurship education is one of the technical areas of youth employment promotion that the ILO has competitive advantage.

If young people are aware of the issues as well as the challenges of becoming an entrepreneur and working in enterprises, they will be better prepared not only with regard to choosing entrepreneurship as a career option, but also to working productively and succeeding in enterprises.

We should also keep in mind about one factor in enterprise development, particularly SMEs; In general, SMEs have high failure rate of businesses. The rate of failure for new businesses is 50% for developed countries. And that of developing countries is even higher. In spite of this, self-employment continues to rank high as a career choice everywhere. In many instances, these failures could have been avoided by proper education and training before the business was initiated.

The KAB materials draw on ILO's successful experience in the field, and complement the ILO's Start Your Business (SYB) package for setting up a business and, Improve Your Business (IYB) for existing businesses. The KAB package is intended to fill the important pre-start gap with the information that was missing.

In the end of 2005, the All China Youth Federation and the ILO agreed to introduce the KAB to China. We have jointly organized the group of Chinese scholars to adapt the KAB training materials to meet the learning needs of university students in China. Since then, starting with 6 pilot universities in 2006, the number of participating schools has now grown to over 200 universities across the country and more than 90 universities are now taking KAB as part of their education curricula.

Today, I would like to congratulate the All-China Youth Federation and the partner schools for their extraordinary achievements. Obviously, the KAB Programme has been paving the way for China's entrepreneurship education, regardless to their specialization in schools. I am sure that the KAB has now become one of the students' favorite learning subjects, just as in other countries. For many of them, KAB provides the first and precious opportunity to think seriously about their career plans. I do hope that our efforts in KAB will contribute to the creation of better and productive job opportunities for young people.